

Message Text

UNCLASSIFIED

PAGE 01 KHARTO 00957 041253Z
ACTION AF-10

INFO OCT-01 NEA-10 ISO-00 EB-08 XMB-04 /033 W
-----117215 050420Z /72

R 041159Z MAR 78
FM AMEMBASSY KHARTOUM
TO SECSTATE WASHDC 6708
INFO USDOC WASHDC
AMEMBASSY KUWAIT
AMEMBASSY JIDDA

UNCLAS KHARTOUM 0957

DEPT PASS EXIM

E.O. 11652: N/A
TAGS: BEXP, SU
SUBJECT: MAJOR PROJECT: KENANA CANE HARVESTING EQUIPMENT

REF: A) 77 KHARTOUM 3002 B) 77 STATE 227966

1. CLASSIC EXAMPLE OF INADEQUACY OF US EXPORT FINANCING
PROBABLY WILL RESULT IN LOSS OF 20 MILLION DOLLARS OR
MORE OF US EXPORTS TO KENANA SUGAR PROJECT. CANE MACHINERY
AND ENGINEERING CO. (THIBODAU, LA., PHONE 504-447-7285) HAS
BEEN SELECTED TO SUPPLY ABOUT 20 MILLION DOLLARS OF CANE FIELD
MACHINERY, CONTINGENT UPON SUPPLIER FINANCING. SUPPLIER
HAS BEEN UNABLE TO FIND US FINANCING, BUT FRENCH HAVE
OFFERED FINANCING IF LICENSE ISSUED TO BUILD EQUIPMENT IN
FRANCE. SUPPLIER MAY HAVE NO ALTERNATIVE TO ACCEPTING FRENCH
OFFER WHICH WILL MEAN ABOUT 30 MAN YEAR'S LOSS OF EMPLOYMENT
ALONE AT THEIR MISSISSIPPI FACTORY.

2. EMBASSY HAD ALERTED COMMERCE AND EXIM TO THIS
OPPORTUNITY, NEED FOR FINANCING AND IMPROVED CONDITIONS
AND MANAGEMENT OF PROJECT (SEE REF A). EXIM REPLIED
THAT THEY QUOTE ONLY PREPARED TO CONSIDER FINANCING
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KHARTO 00957 041253Z

ASSISTANCE FOR KENANA PROJECT TO COVER US COSTS...
ON BASIS OF SATISFACTORY GUARANTORS OUTSIDE SUDAN. UNQUOTE.
THIS MESSAGE WAS RELAYED TO MEMBER OF KENANA EXECUTIVE
COMMITTEE. ON QUESTION OF GUARANTEES BOTH EMBASSY AND
SUPPLIER RECEIVED REPLY THAT OWNERS EXISTING EQUITY
AND LOAN COMMITMENTS PLUS THEIR RESOURCES AND REPUTATIONS
MADE SUCH GUARANTEES UNNECESSARY. THUS, FRENCH FINANCIAL

INSTITUTIONS AND GOVERNMENT ARE PREPARED TO ACCEPT WHAT EXIM APPARENTLY REFUSES. THE OWNERS OF KENANA--PARTICULARLY THE ARAB INVESTMENT COMPANY OF SAUDI ARABIA AND THE KUWAIT FOREIGN TRADING AND INVESTMENT COMPANY--ARE CAPABLE OF AND HAVE A REPUTATION OF MEETING THEIR COMMITMENTS. IN LIGHT OF THEIR COMMITMENT OF ADDITIONAL 250 MILLION DOLLARS TO KENANA IN 1977 THEIR CONTINUED INVOLVEMENT WITH KENANA APPEARS ESTABLISHED BEYOND QUESTION.

3. IN EMBASSY VIEW, FACT OF MASSIVE OUTSIDE ARAB COMMITMENT TO PROJECT SHOULD BE MORE IMPORTANT TO EXIM THAN WRITTEN GUARANTEES. AS RESULT OF EXCESS CAUTION AND LEGALISMS IN TERMS OF FORM OF GUARANTEE (WE THINK OTHER ARABS ALMOST CONSIDER REQUEST FOR GUARANTEE AN INSULT) AMERICAN JOBS AND LARGE EXPORT ORDER WILL BE LOST.
BERGUS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 mar 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KHARTO00957
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780099-1224
Format: TEL
From: KHARTOUM
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803106/aaaadmhx.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 094e7bb8-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: 77 KHARTOUM 3002, 77 STATE 227966
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3116914
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: KENANA CANE HARVESTING EQUIPMENT
TAGS: BEXP, SU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/094e7bb8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014